

Message Text

PAGE 01 STATE 000576 TOSEC 250138

61
ORIGIN ARA-10

INFO OCT-01 ISO-00 SSO-00 CCO-00 SS-15 /026 R

DRAFTED BY ARA/CAR:DCNORTON:BK
APPROVED BY ARA/CAR:TJCHEAVNER
S/S -O:LRMACFARLANE

----- 085055

O P 012259Z JAN 76 ZFF4
FM SECSTATE WASHDC
TO USDEL SECRETARY NIACT IMMEDIATE
INFO AMEMBASSY KINGSTON PRIORITY

S E C R E T STATE 000576 TOSEC 250138

STADIS//////////

E.O. 11652: XGDS-1

TAGS: PFOR, JM, US

SUBJECT: BRIEFING PAPERS FOR THE SECRETARY'S MEETING WITH
PRIME MINISTER MANLEY

ATTENTION PAUL BARBIAN

1. FOLLOWING IS BRIEFING PAPER PREVIOUSLY PROVIDED, IN-
CLUDING UPDATING:

2. CHECKLIST

-- COURTESY POINT - ASK MANLEY HOW HIS RECENT VISIT TO NEW
YORK WENT.

-- BILATERAL RELATIONSHIP - SEEK MANLEY'S VIEWS ON CARIB-
BEAN DEVELOPMENTS AND HOW U.S. CAN BEST RELATE TO THESE
DEVELOPMENTS.

-- JAMAICAN POSITION AT THE UNGA - EXPRESS DISAPPOINTMENT
SECRET

PAGE 02 STATE 000576 TOSEC 250138

AT JAMAICAN ABSTENTION ON BOTH THE ZIONISM AND KOREAN
VOTES AT THE UNGA.

-- BAUXITE DISPUTE - AFFIRM OUR HOPE THAT THERE IS A PROMPT
AND MUTUALLY SATISFACTORY RESOLUTION OF ALL

ISSUES, AND REMIND MANLEY OF THE IMPORTANCE WE ATTACH TO THE INTEGRITY OF THE ICSID PROCEEDINGS.

-- ANGOLA - URGE MANLEY TO AVOID SUPPORT OF MPLA.

3. SETTING

YOU LAST MET MANLEY IN MARCH, 1974, WHEN HE CAME TO THE DEPARTMENT TO BRIEF YOU ON HIS BAUXITE STRATEGY.

DURING YOUR RECENT TRIP TO CHINA WITH THE PRESIDENT, MANLEY VISITED THE U.S.; AT THE LAST MINUTE, HE CANCELED HIS WASHINGTON ENGAGEMENTS, WHICH INCLUDED A LUNCHEON WITH THE DEPUTY SECRETARY, ALLEGEDLY BECAUSE HE VIEWED THOSE ENGAGEMENTS AS PURELY PROTOCOLARY.

MANLEY WILL PROBABLY USE A MEETING WITH YOU TO (1) DISCUSS WHAT HE VIEWS AS THE LACK OF PROGRESS TO DATE IN REFORMING THE INTERNATIONAL ECONOMIC SYSTEM, AND (2) PROVIDE AN UPDATE ON HIS GOVERNMENT'S NEGOTIATIONS WITH THE ALUMINUM COMPANIES. HE MAY ALSO EXPRESS CONTINUING INTEREST IN A GOJ-PROPOSED TRADE/AID ARRANGEMENT WITH THE U.S. WHICH WOULD HELP THE GOJ DEAL WITH ITS GROWING ECONOMIC DIFFICULTIES.

OUR OBJECTIVES ARE TO ENCOURAGE MANLEY TO PURSUE A MORE MODERATE COURSE IN BOTH HIS FOREIGN AND DOMESTIC POLICIES AND, IN PARTICULAR, TO PERSUADE HIM TO SEEK REASONABLE NEGOTIATED SETTLEMENTS WITH THE ALUMINUM COMPANIES. WE WANT HIM TO AVOID SUPPORT AND RECOGNITION OF THE MPLA, MOVES WHICH HE SEEMS TO BE CONTEMPLATING NOW. WE ARE NOT IN A POSITION TO OFFER MASSIVE BALANCE-OF-PAYMENTS ASSISTANCE, AND IF THE SUBJECT IS RAISED, MANLEY SHOULD BE ENCOURAGED TO LOOK TO THE INTERNATIONAL FINANCIAL INSTITUTIONS AND TO THE COMMERICAL BANKS FOR
SECRET

PAGE 03 STATE 000576 TOSEC 250138

HIS IMMEDIATE CAPITAL REQUIREMENTS. FOR THE LONGER TERM, ONLY REVIVED INVESTOR CONFIDENCE AND PRUDENT GOJ FISCAL POLICIES CAN RESOLVE THE PROBLEMS JAMAICA FACES, TRUTHS THAT MANLEY MAY FIND UNPALATABLE AND WHICH SHOULD THEREFORE PROBABLY BE TOUCHED ON ONLY VERY GENTLY.

4. BACKGROUND/ANALYSIS

WHEN HE FIRST TOOK OFFICE OVER THREE AND A HALF YEARS AGO, MANLEY WAS WIDELY VIEWED AS A LIBERAL REFORMER WHO,

IN ROOSEVELTIAN TRADITION, WOULD CORRECT GROSS IMBALANCES IN INCOME AND POWER. HIS GOVERNMENT, HOWEVER, HAS

PROVEN MORE RADICAL THAN EXPECTED. THE GRAVITY OF JAMAICA'S SOCIAL ILLS IS ONE OF THE PRINCIPAL FACTORS CAUSING HIM TO MOVE TO THE LEFT. FOREMOST AMONG THESE PROBLEMS ARE:

-RAMPANT AND CHRONIC UNEMPLOYMENT--WHICH WAS 20 PERCENT IN 1974--AFFECTING THE 14-24 AGE BRACKET MOST DRASTICALLY AND CREATING A LARGE POOL OF ALIENATED YOUTH SUSCEPTIBLE TO THE APPEALS OF THE VARIOUS RADICAL MOVEMENTS THAT SPRANG UP IN THE LATE 1960S.

-A SEVERE CRIME PROBLEM REFLECTING LACK OF JOBS AND ALSO A GENERAL RESENTMENT, WITH RACIAL OVERTONES, OF THE WIDE GAP BETWEEN RICH AND POOR.

-A HOUSING SHORTAGE MOST DRAMATICALLY EVIDENT IN WEST KINGSTON, WHERE SHANTY TOWNS ABOUND.

MANLEY BEGAN A YEAR AGO TO CREATE SOMETHING CALLED, QUOTE, DEMOCRATIC SOCIALISM, UNQUOTE. WHAT HE MEANS BY THIS PHRASE REMAINS VAGUE, SINCE HIS GOVERNMENT HAS TENDED TO EXPRESS ITS COMMITMENT TO CHANGE AS MUCH BY ITS RHETORIC AS BY SPECIFIC PROGRAMS. THE PRIME MINISTER'S IDEAS ABOUT THE KIND OF SOCIETY HE WANTS TO BUILD ARE INFLUENCED BY HIS STUDIES AT THE LONDON SCHOOL OF ECONOMICS AND, MORE DIRECTLY, BY HIS EXPERIENCE AS A TRADE UNION ORGANIZER WHERE HE CAME TO BELIEVE IN
SECRET

PAGE 04 STATE 000576 TOSEC 250138

A KIND OF SHOP-FLOOR DEMOCRACY. HIS DISTASTE FOR CAPITALISM AS IT HAS EVOLVED HISTORICALLY IN JAMAICA AND HIS DESIRE TO HAVE A GREATER VOICE IN THE DEVELOPMENT OF JAMAICA'S NATURAL RESOURCES HAVE LED HIM IN THE DIRECTION OF NATIONALIZING THE, QUOTE, COMMANDING HEIGHTS, UNQUOTE, OF THE ECONOMY.

INFLATION, RECESSION, DECLINING INVESTOR CONFIDENCE, AND MANLEY'S WELFARE PROGRAMS ARE PUTTING THE JAMAICAN ECONOMY UNDER HEAVY PRESSURE. IN THIS SITUATION, MANLEY COULD CURTAIL GOVERNMENT SPENDING, CUT BACK HIS SOCIAL EXPERIMENTS, AND TRY TO REVIVE INVESTOR CONFIDENCE--OR HE COULD TURN TO EXTREME SOLUTIONS, A POSSIBILITY THAT GREATLY WORRIES HIS OPPOSITION, WHICH FEARS NOT ONLY THE IMPOSITION OF A MARXIST ECONOMY BUT THE DESTRUCTION OF DEMOCRATIC INSTITUTIONS.

5. COURTESY POINTS

-- ASK MANLEY HOW HIS RECENT VISIT TO NEW YORK WENT.

-- EXPRESS REGRET THAT MANLEY WAS UNABLE TO KEEP

HIS LUNCHEON DATE WITH THE DEPUTY SECRETARY.

6. ISSUES/TALKING POINTS

A. U.S.-GOJ BILATERAL RELATIONSHIP

BACKGROUND: MANLEY'S VIRULENT PUBLIC ATTACKS ON CAPITALISM, HIS GREAT ADMIRATION FOR CASTRO, HIS WARM RECEPTION OF THE MPLA DELEGATION OVER THE WEEKEND, HIS DRAMATIC MOVES AGAINST THE U.S. ALUMINUM COMPANIES LAST YEAR, AND HIS EFFORTS IN INTERNATIONAL FORA TO PUT JAMAICA IN THE FOREFRONT OF THE THIRD WORLD MILITANTS ALL MAKE IT CLEAR THAT WE HAVE ENTERED A NEW PERIOD IN U.S.-JAMAICAN RELATIONS. WHAT IS NOT CLEAR IS HOW FAR MANLEY INTENDS TO GO AND HOW PERMANENT OUR DIFFERENCES WILL BE. OUR GREAT DEPENDENCE ON JAMAICAN BAUXITE AND JAMAICA'S EQUALLY GREAT DEPENDENCE ON THE U.S. MARKET ARE MAJOR FACTORS STILL BINDING US TOGETHER.

SECRET

PAGE 05 STATE 000576 TOSEC 250138

YOUR TALKING POINTS

-- WHERE DO YOU SEE THE FUTURE LEADING JAMAICA, AND HOW WILL THESE DEVELOPMENTS IMPINGE ON YOUR RELATIONS WITH THE U.S. AND WITH YOUR CARIBBEAN NEIGHBORS?

-- HOW CAN THE U.S. BEST RELATE TO THESE DEVELOPMENTS?

B. ANGOLA

BACKGROUND: THE GOJ WARMLY RECEIVED AN MPLA DELEGATION WHICH VISITED JAMAICA DECEMBER 24-28. PRIME MINISTER MANLEY MET WITH THE DELEGATION AND IS REPORTEDLY STUDYING THEIR REQUEST FOR TECHNICAL ASSISTANCE. A RALLY SPONSORED BY MANLEY'S PNP PARTY PASSED A RESOLUTION CALLING FOR GOJ RECOGNITION OF AND AID TO THE MPLA.

YOUR TALKING POINTS

-- WE DO NOT BELIEVE OUTSIDE SUPPORT FOR, OR RECOGNITION OF, THE MPLA IS IN THE BEST INTERESTS OF THE ANGOLAN PEOPLE.

" -- IT CAN ONLY SERVE TO PERPETUATE SOVIET AND CUBAN INTERVENTION IN ANGOLAN AFFAIRS AND TO STRENGTHEN MPLA INTRANSIGENT REFUSAL TO SEEK A NEGOTIATED SETTLEMENT WITH THE OTHER FACTIONS WHICH REPRESENT A MAJORITY OF THE ANGOLAN PEOPLE.

C. JAMAICAN NON-SUPPORT IN THE 30TH UNGA

BACKGROUND: DESPITE OUR VIGOROUS REPRESENTATIONS, INCLUDING A LETTER FROM YOU TO MANLEY ON KOREA, JAMAICA ABSTAINED ON BOTH THE KOREAN AND ZIONISM ISSUES AT THE UNGA. (ALTHOUGH JAMAICA ABSTAINED ON BOTH RESOLUTIONS ON KOREA, ITS POSITION DID REPRESENT AN IMPROVEMENT OVER ITS SUPPORT FOR THE HOSTILE RESOLUTION LAST YEAR.) THE JAMAICAN ABSTENTION ON BOTH THE DEFERRAL OF THE ZIONISM VOTE AND ON THE RESOLUTION ITSELF WAS AN
SECRET

PAGE 06 STATE 000576 TOSEC 250138

UNPLEASANT SURPRISE, BECAUSE WE HAD FOREIGN MINISTER DUDLEY THOMPSON'S ASSURANCE THAT THE GOJ WOULD SUPPORT THE U.S. POSITION.

YOUR TALKING POINTS

-- WE ARE DISAPPOINTED THAT JAMAICA CHOSE TO ABSTAIN ON THE ALGERIAN RESOLUTION AND ON OUR RESOLUTION ON KOREA, AND ALSO THAT YOU FAILED TO CARRY THROUGH ON YOUR FOREIGN MINISTER'S COMMITMENT TO SUPPORT DEFERRAL OF THE ZIONISM RESOLUTION. JAMAICA'S POSITIONS ON THESE QUESTIONS ARE MATTERS TO WHICH MY GOVERNMENT ACCORDS THE HIGHEST IMPORTANCE.

-- AS WE STRESSED TO YOUR GOVERNMENT ON A NUMBER OF OCCASIONS, WE CONSIDERED THE KOREAN ITEM TO BE THE MOST IMPORTANT ON THIS YEAR'S AGENDA AND BELIEVE OUR RESOLUTION REPRESENTED BOTH THE PREVIOUSLY EXPRESSED WISHES OF THE UNGA AND THE BEST MEANS TO ENSURE PEACE AND SECURITY ON THE KOREAN PENINSULA.

D. PRODUCER/CONSUMER FORUM FOR BAUXITE

BACKGROUND: IN YOUR SPEECH BEFORE THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION IN PARIS, YOU ANNOUNCED OUR READINESS TO COOPERATE IN ESTABLISHING A PRODUCER/ CONSUMER FORUM FOR BAUXITE. AS THE MAJOR BAUXITE/ALUMINA SUPPLIER TO THE U.S. AND A KEY PARTICIPANT IN THE INTERNATIONAL BAUXITE ASSOCIATION, JAMAICA'S COOPERATION WILL BE IMPORTANT TO THE SUCCESS OF ANY PRODUCER/CONSUMER FORUM FOR BAUXITE. WE HAVE ALREADY PROPOSED EXCHANGING VIEWS WITH THE GOJ ON THE FEASIBILITY OF ESTABLISHING A PRODUCER/ CONSUMER FORUM FOR BAUXITE. THE GOJ HAS NOT YET RESPONDED TO OUR PROPOSAL.

YOUR TALKING POINTS

-- BAUXITE/ALUMINA/ALUMINUM IS A KEY COMMODITY FOR WHICH A PRODUCER/CONSUMER FORUM COULD BE ESTABLISHED TO PROMOTE THE EFFICIENCY, GROWTH, AND STABILITY OF THE
SECRET

PAGE 07 STATE 000576 TOSEC 250138

INDUSTRY.

-- WE BELIEVE THAT JAMAICA'S INTERESTS WOULD BE WELL SERVED BY PARTICIPATION IN SUCH A FORUM.

E. THE BAUXITE DISPUTE

E1. COMPANY NEGOTIATIONS

BACKGROUND: THE GOJ'S PASSAGE OF THE BAUXITE (PRODUCTION LEVY) ACT IN MAY, 1974, IMPOSED A SEVENFOLD INCREASE IN THE TAXES ON BAUXITE MINED IN JAMAICA. AS A RESULT OF THE LEVY, THE GOJ DERIVED AN ESTIMATED \$175 MILLION FROM THE LEVY IN 1974, AS COMPARED TO ONLY \$25 MILLION IN 1973.

THE GOJ IS NOW SEEKING TO OBTAIN MAJORITY EQUITY PARTICIPATION IN THE BAUXITE INDUSTRY AND IS NEGOTIATING WITH THE COMPANIES INDIVIDUALLY. TWO COMPANIES, KAISER AND REYNOLDS, HAVE REACHED, QUOTE, AGREEMENTS IN PRINCIPLE, UNQUOTE, WITH THE GOJ, AND KAISER IS ON THE THRESHOLD OF CONCLUDING A NEW DEFINITIVE AGREEMENT. PRELIMINARY DISCUSSIONS ARE UNDERWAY WITH ALCAN AND ALCOA, AND MANLEY MET WITH KROME GEORGE AND OTHER ALCOA EXECUTIVES DURING HIS RECENT VISIT TO THE U.S. REVERE, WHICH HAD REACHED AN AGREEMENT IN PRINCIPLE WITH THE GOJ LATE IN 1974, HAS NOW TEMPORARILY SUSPENDED OPERATIONS AND HAS PROPOSED TO SELL ITS FACILITIES TO THE GOVERNMENT. REVERE PLANS TO FILE A SUIT IN JAMAICAN COURTS CONTESTING THE CONSTITUTIONALITY OF THE 1974 BAUXITE PRODUCTION LEVY ACT.

THE GOJ'S APPARENT WILLINGNESS TO NEGOTIATE SETTLEMENTS IS A FAVORABLE DEVELOPMENT. WHILE URGING MUTUALLY SATISFACTORY AGREEMENTS, THE USG HAS REFRAINED FROM COMMENTING ON THE TERMS OF SUCH AGREEMENTS.

YOUR TALKING POINTS

-- WE APPRECIATE YOUR GOVERNMENT'S EFFORTS TO KEEP US INFORMED ON THE PROGRESS OF THE NEGOTIATIONS.
SECRET

PAGE 08 STATE 000576 TOSEC 250138

-- WE CONTINUE TO HOPE THAT PROMPT AND MUTUALLY SATISFACTORY SETTLEMENTS WILL BE NEGOTIATED IN EACH CASE.

E2. ICSID ASPECT

BACKGROUND: THE FORMER AGREEMENTS OF ALCOA, KAISER, AND REYNOLDS WITH THE GOJ EACH CONTAINED A PROVISION THAT PERMITTED THE COMPANIES TO BRING DISPUTES ARISING OUT OF THE AGREEMENTS TO ARBITRATION UNDER THE AUSPICES OF THE INTERNATIONAL CENTRE FOR THE SETTLEMENT OF DISPUTES (ICSID), A BODY ORGANIZED UNDER THE AUSPICES OF THE WORLD BANK. BOTH JAMAICA AND THE U.S. ARE AMONG THE 70 SIGNATORIES TO THE CONVENTION ESTABLISHING ICSID. IN MAY, 1974, HOWEVER, THE GOJ NOTIFIED ICSID THAT LEGAL DISPUTES INVOLVING INVESTMENTS IN RAW MATERIALS WERE NO LONGER WITHIN THE JURISDICTION OF THE CENTRE.

AN ICSID ARBITRAL PANEL SUBSEQUENTLY RULED THAT, DESPITE THE GOJ NOTIFICATION, ICSID HAS JURISDICTIONAL COMPETENCE TO REVIEW THE SUBSTANTIVE ARGUMENTS IN THE THREE CASES. (THIS DECISION ACCORDS WITH USG VIEWS GIVEN FORMALLY TO ICSID AFTER THE GOJ NOTIFICATION.) BOTH KAISER AND REYNOLDS HAVE REQUESTED AND BEEN GRANTED DELAYS IN PRESENTING THEIR CASES AND HAVE AGREED TO DROP THEIR PROCEEDINGS UPON SIGNATURE OF FINAL AGREEMENTS. ALCOA, HOWEVER, HAD CONTINUED TO PURSUE ITS OWN CASE AND HAD FILED A MEMORIAL WITH THE ICSID ARBITRAL PANEL ON OCTOBER 12. ALTHOUGH THE GOJ WAS GIVEN UNTIL JANUARY 19, 1976, TO SUBMIT ITS BRIEF, THE GOJ SHOWED NO INTEREST AT ALL IN PARTICIPATING IN THE ICSID PROCEEDINGS. DURING HIS MEETING WITH ALCOA EXECUTIVES IN NEW YORK EARLIER IN DECEMBER, MANLEY REQUESTED ALCOA TO POSTPONE ACTION ON ITS ICSID CASE. ALCOA REPORTEDLY HAS AGREED TO MAKE THIS CONCESSION AS A GOOD FAITH GESTURE BEFORE INITIATING ITS NEGOTIATIONS WITH THE GOJ EARLY THIS YEAR.

YOUR TALKING POINTS

SECRET

PAGE 09 STATE 000576 TOSEC 250138

-- WE PRIZE OUR GOOD RELATIONSHIP WITH JAMAICA, BUT WE CANNOT REMAIN INDIFFERENT TO ACTIONS WHICH MIGHT IMPINGE ON U.S. INTERESTS IN PROTECTING THE INTEGRITY OF INVESTMENT AGREEMENTS, INTERNATIONAL TREATIES, AND THE ESTABLISHMENT OF A VIABLE MECHANISM FOR THE SETTLEMENT OF INVESTMENT DISPUTES.

-- AS I NOTED IN MY RECENT SPEECH IN PARIS, WE BELIEVE THAT ICSID SHOULD BE GIVEN A GREATER ROLE IN

SOLVING IMPORTANT INVESTMENT CONTROVERSIES.

-- WE BELIEVE THAT THE PARTIES TO THESE PROCEEDINGS SHOULD ABIDE BY ICSID DECISIONS IN THIS MATTER.

F. JAMAICAN COMMODITY CREDIT ASSISTANCE PROPOSAL

(IF ASKED ONLY)

BACKGROUND: THE GOJ RECENTLY PRESENTED THE USG WITH AN INFORMAL PROPOSAL INDICATING A NEED FOR UP TO \$165 MILLION IN CONCESSIONAL CREDITS ANNUALLY OVER THE NEXT TEN YEARS. WE INFORMED THE GOJ OF THE MANY BUDGETARY/ LEGISLATIVE CONSTRAINTS ON THE USG AND SUGGESTED THAT THE GOJ TURN TO INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS) AND PRIVATE BANKS FOR THIS ASSISTANCE. WE OFFERED TO MEET WITH GOJ EXPERTS TO CONSULT ON A PACKAGE FOR PRESENTATION TO THE IFIS AND THE BANKS; THE GOJ HAS RECENTLY ACCEPTED THIS OFFER, AND WE EXPECT DEPUTY ASSISTANT SECRETARY FISHLOW TO ATTEND AN EXPERTS' MEETING IN KINGSTON LATE THIS MONTH.

WE HAD HEARD LITTLE ABOUT THIS FAIRLY EXTRAVAGANT PROPOSAL RECENTLY, BUT ON DECEMBER 29, MEYER MATALON, SCION OF A DISTINGUISHED JAMAICAN FAMILY AND CLOSE FRIEND OF MANLEY'S, CALLED EAGLEBURGER AND THEN ROGERS ABOUT IT. (IT WAS MATALON WHO HAD FIRST VETTED THE IDEA WITH ROGERS DURING A VISIT THE LATTER MADE TO JAMAICA IN AUGUST. OUR FURTHER TALKS HAD BEEN LARGELY WITH THE JAMAICAN AMBASSADOR HERE, WHOM MATALON IS PLEASED TO REGARD AS UNQUALIFIED TO HANDLE SO GRAVE A MATTER.) MATALON THOUGHT IT WOULD BE HELPFUL IF ROGERS
SECRET

PAGE 10 STATE 000576 TOSEC 250138

AND HE COULD ADDRESS THE ISSUE DIRECTLY, AND REMOVE IT FROM THE DEAD HAND OF THE BUREAUCRACY. ROGERS SAID THAT HE WOULD BE DELIGHTED TO SEE MATALON IN WASHINGTON, THAT HE DID NOT WANT TO LURE HIM TO THE CAPITAL ON FALSE PRETENSES, THAT THE UNITED STATES COULD NOT CONCEIVABLY PROVIDE A \$165 MILLION PACKAGE; BILATERALLY BUT THAT WE HAD SOME SUGGESTIONS AS TO HOW JAMAICA, WITH OUR COOPERATION, MIGHT TRY TO FILL THE GAP THROUGH A COMBINATION OF IFI, PRIVATE SECTOR, AND SELF-HELP. ROGERS SUGGESTED A MATALON VISIT TO WASHINGTON IN EARLY JANUARY, PRIOR TO FISHLOW'S PLANNED TRIP TO JAMAICA LATE IN THE MONTH.

YOUR TALKING POINTS

-- WE FULLY APPRECIATE THE ECONOMIC PROBLEMS CONFRONTING JAMAICA AND THE DEVELOPING WORLD IN GENERAL.

-- THERE ARE, HOWEVER, MANY LEGISLATIVE AND BUDGETARY CONSTRAINTS LIMITING OUR ABILITY TO PROVIDE DIRECT, CONCESSIONAL ASSISTANCE IN THE AMOUNTS AND FOR THE PURPOSES THAT THE GOJ HAS PROPOSED.

-- WE REMAIN WILLING TO WORK WITH YOU IN PREPARING A GOJ PACKAGE FOR PRESENTATION TO THE IFIS AND TO THE

PRIVATE BANKS.

-- I UNDERSTAND DEPUTY ASSISTANT SECRETARY AL FISHLOW WILL BE MEETING LATE THIS MONTH WITH JAMAICAN TECHNICAL EXPERTS IN KINGSTON TO EXPLORE THE JAMAICAN PROBLEM AND POSSIBLE SOLUTIONS. ALSO, ASSISTANT SECRETARY ROGERS HAS SUGGESTED THAT HE AND MEYER MATALON CONTINUE THEIR DIALOGUE, AND MR. ROGERS HOPES TO SEE MATALON IN WASHINGTON WITHIN THE NEXT COUPLE OF WEEKS.

G. RICE QUOTA ISSUE (IF ASKED ONLY)

BACKGROUND: THE GOVERNMENT OF JAMAICA (GOJ) HAS RECENTLY BEEN DENYING IMPORT LICENSES FOR IMPORTERS OF U.S. RICE PRODUCTS, IN FAVOR OF ALLOCATING ITS ENTIRE 1975 QUOTA TO GROWERS IN GUYANA AND SURINAM, THUS
SECRET

PAGE 11 STATE 000576 TOSEC 250138

CLOSING A \$5.0 MILLION MARKET TO U.S. EXPORTERS. THE GOJ DEFENDS ITS ACTIONS ON THE BASIS OF A BILATERAL RICE MARKETING AGREEMENT WITH GUYANA AND ITS DESIRE TO LIMIT THE IMPORTATION OF HIGH-PRICED AND LUXURY FOOD PRODUCTS, E.G. U.S. RICE, IN THIS CASE.

THE GOJ HAS, THUS FAR, REJECTED OUR DIPLOMATIC EFFORTS FOR A RESUMPTION OF THE LICENSING OF U.S. RICE IMPORTS, BUT HAS HELD OUT THE HOPE OF RENEWING LICENSES IN EARLY 1976 FOR THE TOURIST MARKET. FAILING A PROMPT SOLUTION, WE ARE PREPARED TO REQUEST GATT CONSULTATIONS. SENATOR LONG AND THE INFLUENTIAL RICE LOBBY MAY, HOWEVER, BECOME IMPATIENT AT OUR DIPLOMATIC INITIATIVES AND REQUEST A FORMAL REVIEW OF THE JAMAICAN SITUATION PURSUANT TO SECTION 301 OF THE TRADE ACT. SENATOR LONG HAS RECOMMENDED THAT THE USG WITHDRAW GSP FROM JAMAICA.

YOUR TALKING POINTS

-- THE USG BELIEVES THAT THE JAMAICAN ACTION IN DISTRIBUTING ITS RICE IMPORT QUOTA IS CONTRARY TO JAMAICA'S OBLIGATIONS TO THE GATT.

-- WE ARE ASKING ONLY THAT U.S. RICE EXPORTERS HAVE FAIR ACCESS TO THE JAMAICAN MARKET, WHICH HAS

TRADITIONALLY BEEN AN IMPORTANT IMPORTER OF U.S. RICE.

-- WE ARE PREPARED TO REQUEST GATT CONSULTATIONS TO SEEK A SOLUTION TO THIS PROBLEM.

-- THE U.S. RICE INDUSTRY HAS INDICATED ITS INTENTIONS TO REGISTER A COMPLAINT UNDER SECTION 301 OF THE TRADE ACT. UNDER THIS PROVISION, THE PRESIDENT'S

SPECIAL TRADE REPRESENTATIVE, WITH COOPERATION FROM OTHER USG AGENCIES, WOULD BE REQUIRED TO CONDUCT A FORMAL REVIEW OF A VALID COMPLAINT. INITIATION OF SUCH A COMPLAINT BY PRIVATE INTERESTS IS SOMETHING OVER WHICH THE EXECUTIVE BRANCH HAS NO CONTROL.

-- WE BELIEVE THAT IT IS IN THE BEST INTERESTS OF
SECRET

PAGE 12 STATE 000576 TOSEC 250138

OUR GOVERNMENTS TO FIND A SOLUTION BEFORE SUCH A COMPLAINT IS FILED.

H. PUERTO RICAN ISSUE AT THE UN (IF RAISED)

BACKGROUND: THE UN REMOVED PUERTO RICO FROM ITS LIST OF NON-SELF-GOVERNING TERRITORIES IN 1953. IN RECENT YEARS, HOWEVER, THE CUBAN GOVERNMENT HAS SOUGHT, VIA A VARIETY OF MEANS, TO INDUCE THE UN TO EXPRESS SUPPORT FOR PUERTO RICAN INDEPENDENCE. THE LAST SUCH CUBAN INITIATIVE WITHIN THE U.N TOOK PLACE AT THE UN COMMITTEE ON DECOLONIZATION (COMMITTEE OF 24) IN AUGUST, 1975. A PROCEDURAL MOTION TO POSTPONE CONSIDERATION OF THE CUBAN PROPOSAL UNTIL THE 1976 SESSION PASSED BY A CLOSE VOTE (11-9, WITH 2 ABSTENTIONS, 1 ABSENT, AND 1 NOT PARTICIPATING). WE ANTICIPATE THAT THE CUBANS WILL AGAIN RAISE THE ISSUE WHEN THE COMMITTEE OF 24 RECONVENES IN FEBRUARY. JAMAICA IS NOT A MEMBER OF THE COMMITTEE OF 24.

U.S. POSITION: WE BELIEVE THAT THE STATUS OF PUERTO RICO IS NOT AN APPROPRIATE MATTER FOR UN CONSIDERATION. THE COMMONWEALTH IS SELF-GOVERNING AND CONTINUES TO MEET THE CRITERIA ON WHICH THE 1953 UN DECISION WAS BASED. EFFORTS TO GET UN ENDORSEMENT FOR PRO-INDEPENDENCE ELEMENTS IN PUERTO RICO CONSTITUTE INTERFERENCE IN THE COMMONWEALTH, AND THEREFORE, IN U.S. INTERNAL AFFAIRS.

JAMAICAN POSITION: FOREIGN MINISTER THOMPSON HAS TOLD US THAT THE GOJ UNDERSTANDS AND ACCEPTS THE U.S. POSITION ON PUERTO RICO. THE GOJ HAS, HOWEVER, SUBSCRIBED TO SUPPORTING SELF-DETERMINATION WITHIN THE CARIBBEAN REGION AND SEES THE POSSIBILITY OF A LINK BETWEEN PUERTO RICO AND BELIZE.

YOUR TALKING POINTS

-- WE EXPECT THE CUBANS TO PURSUE THEIR EFFORTS ON PUERTO RICO AT THE UN AND IN OTHER FORA.

-- WE WILL CONTINUE TO DO WHATEVER IS NECESSARY TO
SECRET

PAGE 13 STATE 000576 TOSEC 250138

DEFEAT SUCH INITIATIVES.

-- THE CUBAN POSITION HAS NO BASIS WHATEVER IN FACT; THE PUERTO RICAN PEOPLE HAVE GIVEN ONLY SLIGHT SUPPORT (LESS THAN 5 PERCENT OF THE VOTE IN RECENT ELECTIONS) TO PRO-INDEPENDENCE FORCES ON THE ISLAND.

-- WE REALIZE JAMAICA IS NOT A MEMBER OF THE COMMITTEE OF 24, BUT WE HOPE THAT WE WILL CONTINUE TO HAVE JAMAICAN SUPPORT ON THIS ISSUE IN ANY INTERNATIONAL REVIEW OF PUERTO RICO'S STATUS.

-- I HAVE REPEATEDLY STATED THAT THE CUBAN INITIATIVE TO GARNER INTERNATIONAL SUPPORT FOR PUERTO RICO'S INDEPENDENCE IS AN UNWARRANTED INTERFERENCE INTO U.S. DOMESTIC AFFAIRS.

7. END TEXT OF BRIEFING PAPERS. ROBINSON

SECRET

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 15 SEP 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOSEC, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE000576
Document Source: ADS
Document Unique ID: 00
Drafter: ARA/CAR:DCNORTON:BK
Enclosure: n/a
Executive Order: 11652 XGDS-1
Errors: n/a
Film Number: D750452-0595
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760199/baaenwn.tel
Line Count: 563
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN ARA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2004 by ElyME>; APPROVED <16 AUG 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BRIEFING PAPERS FOR THE SECRETARY'S MEETING WITH
TAGS: PFOR, JM, US, (KISSINGER, HENRY A), (MANLEY, MICHAEL N)
To: SECRETARY NIACT INFO KINGSTON
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006